

DD/A Registry
80-0710/2

3 APR 1980

MEMORANDUM FOR: Deputy Director for Administration

FROM: James H. McDonald
Director of Logistics

SUBJECT: GSA Furniture Management Reform Program

REFERENCE: Memo for DDA fm DL dtd 21 Mar 80,
Same Subj (OL 0-1306)

1. Action Requested: That the Deputy Director for Administration transmit the attached letter (Attachment B) to the General Services Administration requesting an exemption from GSA's Furniture Management Reform Program.

2. Background: The referent provided information concerning the evaluation of the General Services Administration's "Furniture Management Reform Program" and its potential adverse impact on this Agency's ability to protect unauthorized or unforeseen disclosure of classified information. It also sought approval to seek an exemption from the Furniture Management Reform Program based on our need to protect classified national security information; i.e., staffing levels, covert facilities, and sources and methods.

Office of Logistics personnel recently attended a meeting at which the Commissioner, Federal Supply Service, GSA provided additional guidance concerning the furniture program (Attachment A). The new guidance furnished by GSA is more comprehensive and restrictive on Agency operations in that it requires the Agency to provide a substantive justification to GSA prior to removing any item of furniture from stock. Further, it empowers GSA to make direct substitution of items from another Government agency's stock to satisfy our requirements.

It appears even more urgent to seek an exemption from the GSA furniture program, if this Agency is to be able to conduct its operations in a manner that avoids public disclosure and potentially lengthy delays pending GSA review of Agency requirements. It is my belief that we can satisfy

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the spirit and intent of the furniture program by permitting cleared GSA personnel to review our internal management practices and procedures. We currently have an analogous policy of annual reviews with GSA in the area of ADP&E acquisition.

Although GSA appears willing to grant CIA exemptions for classified purchases, the mechanics of operating with a classified and an unclassified program appear unworkable. Further, the latest GSA guidance indicates a trend toward total GSA involvement in each agency's operations. It is for these reasons that I believe we should strenuously seek a total exemption from the Furniture Management Reform Program.

The attached letter outlines to GSA a management process that will achieve the spirit and intent of the furniture program. It provides for the establishment of management procedures that will permit GSA to evaluate this Agency's efforts in managing its furniture assets.

3. Recommendation: It is recommended that the Deputy Director for Administration transmit the attached letter (Attachment B) to the General Services Administration requesting an exemption from GSA's Furniture Management Reform Program.

/s/ James H. McDonald

James H. McDonald

Atts

Distribution:

- Orig - Addressee, w/atts
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MEMORANDUM FOR THE RECORD

SUBJECT: GSA Furniture Management Reform Program

AT 1. On 27 March 1980, Messrs. [] DC/SD and [] C/PD, attended a meeting called by GSA to provide additional guidance concerning the subject program. Messrs. Tom Morris and Herb McCarthy, Commissioner and Deputy Commissioner respectively, FRS, GSA both addressed the gathering. ST

2. Mr. Morris stated that the previous guidance, transmitted on 6 March 1980, remains in effect. He is also attempting to determine how GSA may better manage Government-wide requirements through its Federal Supply Schedule contracts; e.g., typewriters.

3. The following statements highlight the guidance provided by GSA:

a. Agency Coverage: GSA has provided OMB with a listing of those agencies it believes are covered by the Furniture Program. If an agency believes it should not be included, it should request a waiver from GSA. GSA will in turn seek a ruling from OMB. CIA is included on the list (Attachment 1).

b. Property Management Officer (PMO) Program: GSA desires to establish four Task Forces to resolve the following issues:

(1) Requisition certification (validation) procedures to be employed by agencies.

(2) Inventory Record Keeping - identify essential information required by GSA and available from existing agency systems.

(3) Requirements and Expense Plan - determine most effective formats to acquire necessary management information.

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(4) National Capital Region - establish procedures for management of stored furniture in the National Capital Region.

c. Operation Validate:

(1) GSA will reject all requisitions dated after 27 February 1980, unless the requisition falls within one of GSA's published exceptions.

(2) GSA will establish an agency certification (validation) standard in the FPMR.

d. Operation Clean Sweep: National Capital Region is excluded from Clean Sweep.

e. Requirements and Expense Plan:

(1) Furniture Expense Plan - is a prototype for use in other areas of personal property management.

(2) Management Information System - GSA is developing a computer-based program to track each agency's performance against its Expense Plan.

(3) FY-81 Agency Expense Plan - an estimate is acceptable.

(4) FY-81 Formats - GSA will distribute to agencies on or before 1 May 1980. Agencies must respond on or before 1 July 1980.

f. Federal Property Management Regulations:

(1) Management Surveys - GSA intends to conduct management surveys of each agency's property management procedures and practices.

(2) FPMR Revision - to establish regulatory requirement for an agency PMO and internal agency certification of property requisitions.

g. Operation Cleaninghouse: GSA has excluded the National Capital Region from Operation Clean Sweep and has provided the following new guidance, some of which

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appears in a GSA TWX dated 11 March 1980 (Attachment 2).

(1) Agency Inventory - each agency is to conduct a "wall-to-wall" inventory of its stored furniture to update the December 1979 inventory previously transmitted to GSA. This updated inventory will form the baseline for the National Capital Region's furniture management program. GSA representatives will participate in the survey.

(2) Inventory Records - each agency will create an inventory record for each item of stored furniture.

(3) Inventory Reduction - GSA will reduce an agency's inventory if there is no justifiable need within some unstated period; e.g., 90 days.

(4) Removals from Inventory - agencies are prohibited from removing items from inventory without prior approval of GSA.

(5) Item Substitution - automatic substitutions will be made by GSA, with notice to the requiring agency, from existing furniture stocks.

(6) New Furniture - no new furniture may be purchased until existing stock is exhausted without GSA's approval.

(7) Fedstrip - National Capital Region will review all Fedstrip requisitions for screening against the furniture inventory.

3. Subsequent to the meeting, Mr. Paul Agin, Director, National Furniture Center, was queried concerning the feasibility of exempting this Agency from the program. He is of the opinion that any request for a total waiver will be denied.

4. Conclusion: GSA's new guidance concerning the National Capital Region is more comprehensive and restrictive on Agency operations. It will require:

a. Establishment of Inventory Records for stored furniture;

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b. Disclosure of possible classified information to justify retention or use of stored furniture; and,

c. Surrender of Agency responsibility for satisfying its requirements, since GSA will be able to direct substitutions.

5. It appears even more urgent to seek an exemption from the GSA/OMB program's coverage, if this Agency is to be able to conduct its operations in a manner that avoids public disclosure.


Chief, Procurement Division, OL

Att

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Approved For Release 2003/05/23 : CIA-RDP83-00957R000100090008-1

ATTACHMENT

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PROPERTY MANAGEMENT OFFICER LIST

<u>DEPARTMENT</u>	<u>PRIMARY</u>	<u>ALTERNATE</u>
Agriculture	Mr. Harold G. Franklin Chief, Personal Property Mgmt. Div. Department of Agriculture, Rm 1532 Washington, DC 20250 Phone: 447-3141	
Commerce	Mr. William M. Burns Chief, Property & Buildings Mgmt. Department of Commerce, Rm 6877 Washington, DC 20230 Phone: 377-4017	
Defense	Mr. Robert Rozycki OASD (MRA&L) SR Department of Defense Rm 3B740 The Pentagon Washington, DC 20301 Phone: 697-4186	
Education	Mr. Sam Weaver Property Management Officer Department of Education 400 Maryland Avenue, SW, Rm 1075 Washington, DC 20202 Phone: 245-8158	
Energy	Mr. Francis Roche Chief, Property & Equip. Mgmt. Br. Department of Energy, Rm 1J018 Washington, DC 20585 Phone: 252-8254	
Health, Education and Welfare	Mr. Francis Proden Director, Material Mgmt Div. Department of Health, Education and Welfare Rm 5378 Washington, DC 20201 Phone: 245-8791	
Housing and Urban Development	Mr. Raymond J. Hier Chief, Property and Supply Branch Rm 5172 Department of Housing & Urban Devel. Washington, DC 20410 Phone: 755-5077	
Interior	Mr. Gerald A. Dempsey Chief, Property Mgmt. Div. Rm 5310 Department of the Interior Washington, DC 20240 Phone: 343-3185	

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<u>DEPARTMENT</u>	<u>PRIMARY</u>	<u>ALTERNATE</u>
Justice	Mr. Anthony C. Muscato Director, Property Mgmt. and Procurement Staff Department of Justice Rm 6315 Washington, DC 20530 Phone: 633-4405	
Labor	Mr. Eldridge Tabb Director, Office of Supply and Property Management, Rm S1520 Department of Labor Washington, DC 20210 Phone: 523-6281	
State		
Transportation	Mr. Harry Kinney Chief, Supply Mgmt Div. Department of Transportation Rm 9100 Washington, DC 20590 Phone: 426-4194	
Treasury	Mr. Robert T. Harper Asst. Dir. of Property Mgmt. Suite 800 Department of the Treasury Washington, DC 20220 Phone: 376-0404	

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INDEPENDENT AGENCIES, COMMISSIONS, ETC.

AGENCIES &
COMMISSIONS

PRIMARY

ALTERNATE

ACTION

American Battle
Monuments Commission

Colonel Clayton R. Moran
Director, Personnel and
Administration
American Battle Monuments Commission
Forrestal Building, Rm 4C014
Washington, DC 20314
Phone: 272-0534

Board for International
Broadcasting

Community Services
Administration

Civil Aeronautics
Board

Commission of Fine
Arts

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AGENCIES &
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PRIMARY

ALTERNATE

Commission on Civil
Rights

Mr. Daniel Garcia
Deputy Director for Management
U.S. Commission on Civil Rights
Room 502
Washington, DC 20425
Phone: 254-6616

Consumer Product Safety
Commission

Commodity Futures
Trading Commission

Environmental Protection
Agency

Mr. Donald Kraft
Chief, General Services Branch
Environmental Protection Agency
401 M Street, SW, Rm 3304
Washington, DC 20460
Phone: 755-2824

Equal Employment
Opportunity Comm.

Export-Import Bank
of U.S.

Farm Credit Admin.

Federal Communications
Commission

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AGENCIES &
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Federal Deposit
Insurance Corp.

Federal Election
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Federal Home Loan
Bank Board

Federal Maritime
Commission

Federal Mediation &
Conciliation Service

Federal Reserve
System

Federal Trade Comm.

Foreign Claims
Settlement Comm.

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AGENCIES &
COMMISSIONS

PRIMARY

ALTERNATE

General Services
Administration

Mr. Wayman T. Crow
Director, Administrative
Operations Division
General Services Administration
GS Building (HRM), Rm 4017
Washington, DC 20405
Phone: 566-1831

International Trade
Commission

International
Communications
Commission

Interstate Commerce
Commission

Mr. Ray Houser
Chief, Property Management
Interstate Commerce Comm.
12th & Constitution Ave., NW
Room 1325
Washington, DC 20423
Phone: 275-0885

Occupational Safety
& Health Review Comm.

National Aeronautics
& Space Administration

Mr. Charles Wagner
Director of Supply & Equip.
Mgmt. Div./BE-5
National Aeronautics &
Space Administration, Rm 6009
Washington, DC 20546
Phone: 755-8460

National Foundation
on Arts & Humanities

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AGENCIES &
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PRIMARY

ALTERNATE

National Labor Relations
Board

National Mediation Board

National Science Foundation

National Transportation
Safety Board

Nuclear Regulatory
Commission

Mr. George Fetrow
Act. Director,
Facilities & Operations Sup. Div.
Nuclear Regulatory Commission/ MNB 3715
Washington, DC 20555
Phone: 492-8290

Office of Personnel
Management

Ms. Margaret Caswell
Chief, Facilities Branch
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Room 1R54
Washington, DC 20415
Phone: 632-4575

Overseas Private
Investment Corp.

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AGENCIES &
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Panama Canal Comm.

Penn. Ave., Develop.
Corp.

Pension Benefit
Guaranty Corp.

Postal Rate Comm.

Railroad Retirement
Board

Securities & Exchange
Commission

Selective Service
System

Small Business Admin.

Mr. Tom Leydon
Director, Office of Mgmt Serv.

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AGENCIES &
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PRIMARY

ALTERNATE

Tennessee Valley Authority

Mr. Kenneth Gray
Washington Representative
Tennessee Valley Authority
Capital Hill Office Bldg. 3rd Floor
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Veterans Administration

Mr. Bruce H. Brinkman
Chief Property Management
Veterans Administration
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Washington, DC 20420
Phone: 389-3645

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OTHER PMO CONTACTS

OFFICE

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ALTERNATE

Executive Office of the President

Mr. Newell Quinton
Director, Administrative Services Div.
Executive Office of the President
New Executive Office Bldg., Rm 4204
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Phone: 456-2312

Central Intelligence Agency

[REDACTED]
Chief, Procurement Division
Central Intelligence Agency
[REDACTED]
Washington, DC 20505
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QUASI-OFFICIAL AGENCIES

PRIMARY

ALTERNATE

Postal Service
(For information only)

Mr. Lloyd Paxton
Manager, Supply Branch
Postal Service, Room 2002
Washington, DC 20260
Phone: 245-4826

Smithsonian

Mr. Harry Barton
Director, Supply Services
Smithsonian Institution
L'Enfant Plaza/North Building Rm 3120
Washington, DC 20024
Phone: 381-5924

LEGISLATIVE BRANCH VOLUNTARY PARTICIPANTS

PRIMARY

ALTERNATE

General Accounting Office

Mr. Mallory Andrews
Dep. Director, Office Admin. Services
General Accounting Office, Rm 3150
Washington, DC 20548
Phone: 275-5868

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ATTACHMENT
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TELEGRAPHIC MESSAGE

NAME OF AGENCY GENERAL SERVICES ADMINISTRATION FEDERAL SUPPLY SERVICE (F) WASHINGTON, DC 20406		Approved For Release 2003/05/23 : CIA-RDP83-00957R000100090008-1 ACTION INFO		UNCLAS	
ACCOUNTING CLASSIFICATION 118.0.81.F00A0100.A11.23.382		DATE PREPARED 3/11/80		TYPE OF MESSAGE <input type="checkbox"/> SINGLE <input type="checkbox"/> BOOK <input checked="" type="checkbox"/> MULTIPLE-ADDRESS	
FOR INFORMATION CALL		PHONE NUMBER 557-8667			
NAME THOMAS D. MORRIS					
THIS SPACE FOR USE OF COMMUNICATION UNIT					

MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)

TO: HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: MANAGEMENT OF ALL STORED FURNITURE IN NATIONAL CAPITAL REGION

EFFECTIVE MAY 1, 1980, GSA WILL ESTABLISH AND MAINTAIN AN INVENTORY RECORD COVERING ALL HIGH-VALUE REPAIRABLE OFFICE FURNITURE IN THE NATIONAL CAPITAL AREA WHICH IS IN STORAGE AND NOT APPROPRIATE TO BE DECLARED EXCESS UNDER CURRENT REGULATIONS.

EACH AGENCY NOW OWNING SUCH STORED FURNITURE WILL CONTINUE TO RETAIN CUSTODY AND ACCOUNTABILITY INCLUDING A RECORD SHOWING NSN (IF KNOWN), DESCRIPTION, CONDITION, QUANTITY, ACQUISITION COST, PLANNED USE, AND ESTIMATED ANNUAL COST TO STORE. A COPY OF THIS RECORD WILL BE CENTRALLY MAINTAINED BY GSA.

RELEASES OF THESE STORED ITEMS WILL BE PERMITTED ONLY UNDER PROCEDURES GSA ESTABLISHES AFTER CONSULTING WITH THE PROPERTY MANAGEMENT OFFICERS APPOINTED

SECURITY CLASSIFICATION

PAGE NO. NO. OF PGS.

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TELEGRAPHIC MESSAGE

NAME OF AGENCY Approved For Release 2003/05/23 : CIA-RDP83-00957R000100090008-1	PRECEDENCE ACTION INFO.	SECURITY CLASSIFICATION 100090008-1
ACCOUNTING CLASSIFICATION	DATE PREPARED	TYPE OF MESSAGE <input type="checkbox"/> SINGLE <input type="checkbox"/> BOOK <input type="checkbox"/> MULTIPLE-ADDRESS
FOR INFORMATION CALL		
NAME THOMAS D. MORRIS	PHONE NUMBER 557-8667	
THIS SPACE FOR USE OF COMMUNICATION UNIT		

MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)

TO:

IN RESPONSE TO MY MEMORANDUM OF MARCH 6, 1980, ENTITLED "GSA FURNITURE MANAGEMENT REFORM PLAN." WHERE THE RELEASE IS MADE TO AN AGENCY OTHER THAN THAT NOW HOLDING IT, GSA WILL CHARGE THE RECEIVING AGENCY A FAIR VALUE AND GRANT THE HOLDING AGENCY A CREDIT WHICH IT MAY USE IN OBTAINING ANOTHER ITEM OR ITEMS OF APPROXIMATELY EQUAL VALUE.

THE PURPOSE OF THESE PROCEDURES IS TO ACT PROMPTLY ON THE RECENT FINDINGS OF THE AGENCY INSPECTORS GENERAL WHICH CLEARLY DEMONSTRATE THAT WE NEED STRONGER CONTROLS TO AVOID OVER-INVESTMENT IN HIGH-VALUE, REPAIRABLE FURNITURE ITEMS; AND THAT WE MAKE TIMELY AND APPROPRIATE USE OF WHAT WE NOW HAVE ON HAND TO AVOID UNNECESSARY NEW PURCHASES.

UNDER THESE NEW PROCEDURES, FUTURE PURCHASES BY AGENCIES FOR STORAGE WILL BE PERMITTED ONLY WITH THE PRIOR APPROVAL OF GSA. SUCH PURCHASES

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TELEGRAPHIC MESSAGE

NAME OF AGENCY Approved For Release 2003/05/23 : CIA-RDP83-00957R000100090008-1		PRECEDENCE ACTION INFO	SECURITY CLASSIFICATION 100090008-1
ACCOUNTING CLASSIFICATION	DATE PREPARED	TYPE OF MESSAGE <input type="checkbox"/> SINGLE <input type="checkbox"/> BOOK <input type="checkbox"/> MULTIPLE-ADDRESS	
FOR INFORMATION CALL			
NAME THOMAS D. MORRIS		PHONE NUMBER 557-8667	
THIS SPACE FOR USE OF COMMUNICATION UNIT			
MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)			

TO:

MUST BE PART OF AN AGENCY EXPENDITURE PLAN APPROVED
BY OMB, AS DESCRIBED IN OUR LETTER OF MARCH 6, 1980.

THE ABOVE CONTROLS WILL FIRST BE APPLIED IN NCR AREA.
AFTER EXPERIENCE WITH THEM, IT WILL BE DETERMINED
WHETHER OTHER GEOGRAPHIC LOCATIONS REQUIRE SIMILAR
COORDINATION.

I WILL KEEP THE DIRECTOR OF OMB AND INTERESTED
CONGRESSIONAL COMMITTEES INFORMED OF OUR ACCOMPLISHMENTS
THROUGH THE ABOVE CONTROLS IN REPORTS TO BE SUBMITTED
AS OF JULY 31, 1980, AND DECEMBER 31, 1980. YOUR
COOPERATION WILL BE DEEPLY APPRECIATED.

(Signed) R. G. FREEMAN, III

R. G. FREEMAN, III
ADMINISTRATOR

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GSA FURNITURE MANAGEMENT REFORM PLAN

<u>REGION</u>	<u>CONTACT POINT</u>	<u>TITLE</u>	<u>TELE. NO.</u>
1	Fred Forbes	Director, Supply Div., FSS	223-3186
2	Joe Hantman	ARA, FSS	264-3590
3	Robert L. Rogers	Director, Customer Relations Staff, Ofc. of Personal Prop.	597-1249
NCR	Peter Boulay	ARA, FSS	472-1701
4	Len Sheppard	ARA, FSS	242-5114
5	Jim Czysz	Staff Ass't. to the Regional Administrator	353-5395
6	Tom Morton	Supply Division	926-7318
7	Reuben Morgan	ARA, FSS	334-2516
8	John Vogt	ARA, FSS	234-3921
9	Oliver Thurmon	ARA, FSS	556-5743
10	Leroy Roberts	ARA, FSS	396-5291